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ADMINISTRATIVE MATTERS: INTERNATIONAL CIVIL SERVICE COMMISSION

Issues related to the United Nations common system and pension system

Note by the Secretariat

Summary

Brings to the attention of the Industrial Development Board the recommendations of the International Civil Service Commission (ICSC) approved by the United Nations General Assembly in resolutions 46/191, 46/191 B and 46/192 of relevance to UNIDO and relating to personnel questions in the United Nations common system and to pension matters; the action taken by ICSC and the United Nations Joint Staff Pension Board in compliance with those resolutions; and action taken by ICSC under Article 14 of its Statute concerning the status of women in the United Nations system.

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Introduction

1. In 1991, United Nations General Assembly resolution 45/268 (operative para. 3) emphasized the obligations of all organizations of the United Nations common system to consult and cooperate fully with the International Civil Service Commission (ICSC) and the United Nations Joint Staff Pension Board (UNJSPB) on matters relating to conditions of service and pensions. At its forty-sixth session the United Nations General Assembly adopted resolutions 46/191 and 46/191 B related to the United Nations common system, as well as resolution 46/192 concerning the United Nations pension system. In compliance with those resolutions, subsequent action was taken by ICSC and by UNJSPB. Developments at the thirty-sixth session of ICSC included action taken under Article 14 of its Statute, concerning the status of women in the United Nations system. The present document provides information on those matters of relevance to UNIDO.

I. AMENDMENTS TO SCHEDULES I AND III OF THE STAFF REGULATIONS

2. As provided in Article 11.5 of the Constitution of UNIDO, "The conditions of service of staff shall conform as far as possible to those of the United Nations common system." In accordance with that principle, regulation 13.3 of the Staff Regulations of UNIDO provides that the Director-General is authorized, within the budgetary level approved by the General Conference, to make appropriate amendments to the schedules of the staff regulations "so as to bring them into conformity with any relevant decisions that may be taken by the General Assembly of the United Nations on recommendation of the International Civil Service Commission".

3. In resolution 46/191 (section V, para. 2), the General Assembly on the recommendation of ICSC

approved "with effect from 1 March 1992, the revised scale of gross and net salaries for staff in the Professional and higher categories" that incorporates six multiplier points of post adjustment in net base salary on a no-gain/no-loss basis. This change does not affect levels of remuneration as the post adjustment portion thereof has been reduced by the amount consolidated into the base salary. Upon implementation of the new scale on 1 March 1992, a revised post adjustment multiplier and a revised post adjustment index were established by ICSC. The above decisions of the General Assembly were implemented for staff in the Professional and higher categories, including the Director-General. Since the incorporation of six multiplier points of post adjustment in the base salary was coupled with a corresponding reduction in the post adjustment portion of remuneration based on a no-loss/no-gain formula, the revised scale had no financial implications.

4. In conjunction with the revised salary scale, the General Assembly also approved, with effect from 1 March 1992, a revised scale of staff assessment rates for staff in the Professional and higher categories with neither a dependent spouse nor a dependent child (cf. resolution 46/191, annex I, para. 1).

5. Also in resolution 46/191 (section III, para. 1), the General Assembly on the recommendation of ICSC approved, with effect from 1 January 1992, a revised scale of staff assessment rates for staff in the General Service category.

6. Pursuant to staff regulation 13.3, schedule I (salary scales for the Professional and higher categories) and schedule III (staff assessment) of the UNIDO Staff Regulations have been amended as explained below.

Schedule I: Salary scales for the Professional and higher categories

7. The salary scale for the Professional and higher categories has been replaced with the new scale effective 1 March 1992 as approved by the General Assembly (see annex I to the present document).

Schedule III: Staff assessment

8. In order to reflect the decision of the General Assembly, the tables entitled "Assessment (continued)" in paragraphs (i) and (ii) have been replaced (see annex II to the present document).

II. AMENDMENT OF APPENDIX C TO THE STAFF RULES

9. In accordance with the procedure approved by the General Assembly in its resolution 41/208 for adjusting the pensionable remuneration in between comprehensive reviews, and following the promulgation by ICSC of the revised scales of pensionable remuneration, appendix C to the staff rules has been amended to show the revised scales of pensionable remuneration for the Professional and higher categories, effective 1 November 1991. The amendment of appendix C to the staff rules is contained in Director-General's bulletin UNIDO/DG/B/Staff Rules/1/Rev.1/Amend.4, of 13 November 1991.

III. ROLE AND FUNCTIONS OF THE INTERNATIONAL CIVIL SERVICE COMMISSION

10. The General Assembly, in section I of resolution 46/191 reaffirmed the role of ICSC as the independent technical body responsible to the Assembly for the regulation and coordination of the conditions of service in the United Nations common system, and stressed its own central role in the elaboration of those conditions.

11. Furthermore, in resolution 46/191 B of 30 July 1992 the General Assembly requested the Commission, inter alia, to propose measures to be undertaken by all organizations of the United Nations system to enforce and enhance respect for, and adherence to, the common system of salaries, allowances and conditions of service, and to report thereon to the General Assembly at its forty-seventh session, as well as on its consideration of the question of improving the responsiveness of the common system to the concerns and needs of the different organizations. The General Assembly called upon executive heads and governing bodies of the United Nations common system to respect fully the decisions taken by the General Assembly on the recommendation of ICSC and UNJSPB concerning the conditions of service of the staff, and pointed out that failure to do so on the part of any organization could prejudice its claim to enjoy the benefits of participation in the common system. The General Assembly further requested executive heads of the participating organizations to consult ICSC and UNJSPB prior to the submission of proposals relating to staff conditions of service to their respective governing bodies, in order to avoid action inconsistent with the Statute of the Commission and the regulations of the United Nations Joint Staff Pension Fund (UNJSPF) as accepted by the organizations.

12. In resolution 46/191 the General Assembly also stressed the importance of ICSC in other personnel policy areas and invited ICSC, inter alia:

(a) To pursue, as a matter of priority, its review merit systems and performance appraisal in the common system as a vehicle for enhancing productivity and cost-effectiveness;

(b) To report to the General Assembly on the measurement of the housing element in the remuneration package as well as on a revised rental subsidy scheme;

(c) To report on the methodology for determining dependency allowances;

(d) To conclude its review of the General Service salary survey methodology.

IV. ACTION TAKEN BY ICSC UNDER ARTICLE 14 OF ITS STATUTE CONCERNING THE STATUS OF WOMEN IN THE UNITED NATIONS SYSTEM

13. At its 1990 summer session ICSC had established a working group with the mandate to identify the problems facing women in the United Nations common system and to assist the Commission in devising strategies for implementing earlier recommendations in that area. Subsequently, the

General Assembly, in resolution 45/241 expressed concern at the slow and uneven progress in the organizations' implementation of earlier recommendations and requests on the status of women, and invited the Commission, working together with organizations of the common system and with staff representatives, to examine specific and practical steps to translate earlier recommendations and requests into action and to report thereon to the General Assembly at its forty-seventh session.

14. The Commission at its thirty-sixth session examined the report of that working group and decided to make recommendations to the organizations of the common system concerning the status of women. An excerpt from the draft report of the Commission containing the consideration of that item and the recommendations thereon will be made available to the Board in a conference room paper in line with the Commissions's request for wide dissemination of information on the subject. A progress report on the status of women in the UNIDO Secretariat will be submitted to the Board at its eleventh session.

V. UNITED NATIONS PENSION SYSTEM

A. Pension adjustment system

15. In resolution 46/192 of 20 December 1991 (section IV, para. 3), the General Assembly approved changes in the pension adjustment system for staff in the Professional and higher categories who separated on or after 1 April 1992. The modifications relate to the provisions governing the determination of the initial local currency pensions of participants retiring in a high cost country (i.e. higher than in New York) and will provide greater compensation for the cost of living differences. The modifications do not affect the dollar pension entitlements under the regulations of UNJSPF.

B. Comprehensive review of the pensionable remuneration of staff in the General Service and related categories

16. In 1990 the General Assembly requested ICSC, in full cooperation with UNJSPB, to undertake in 1991 a comprehensive review of the pensionable remuneration and consequent pensions of staff in the General Service and related categories (cf. resolution 45/242, section III, para. 2). Both ICSC and UNJSPB reviewed the evolution of the methodology used to determine the pensionable remuneration of staff in those categories since the establishment of the United Nations Joint Staff Pension Fund, and examined a number of alternatives to the current methodology. Both bodies agreed that the current methodology should be continued pending further studies of some alternatives.

17. The General Assembly concurred that further studies of possible alternative methodologies were required in order to determine the most equitable solution for all parties concerned (i.e. staff, administrations and Member States). It requested ICSC and UNJSPB to take into account the views expressed in the Fifth Committee, particularly those related to the administrative and financial implications of determining pensions in accordance with local practices of employers used in the General Service salary surveys, and to the alternative of reflecting local conditions in the determination of the pensionable remuneration through the application of local taxes to derive the pensionable remuneration from the net pensionable salaries.

18. The United Nations Joint Staff Pension Board at its forty-fourth session and ICSC at its thirty-sixth session reviewed the pensionable remuneration and consequent pensions of staff in the General Service and related categories. In addition, ICSC at its thirty-sixth session reviewed the general methodology for surveys of best prevailing conditions of employment at headquarters duty stations. According to the ICSC schedule of work, the next salary survey for the General Service category in Vienna is planned to be held in spring 1996.

19. The Commission introduced modifications in the methodology for surveys of best prevailing conditions of employment at headquarters duty stations and in the methodology for determining the pensionable remuneration of staff in the General Service and related categories. In order to complete its review of the latter, the Commission requested the secretariat of ICSC and UNJSPB to carry out further studies. The Commission will report on the matter to the General Assembly at its forty-seventh and forty-eighth sessions.

20. Under rule 37 of the ICSC rules of procedure, representatives of the Federation of International Civil Servants' Associations (FICSA) and the Coordinating Committee of Independent Staff Unions and Associations (CCISUA) may attend meetings and address the Commission. During the course of the Commission's thirty-sixth session the representatives of FICSA and CCISUA informed the Commission that they had decided not to continue their participation in the Commission's deliberations at that session, following the consideration and decisions taken by the Commission on the issues referred to in paragraph 19 above. Subsequent to those announcements, the representatives of the staff bodies did not attend the meetings of the Commission with the exception of those covering a small number of specific issues.

C. Pension arrangements for ungraded officials

21. In resolution 46/192 (section III, paras. 3 and 4), the General Assembly endorsed the methodology recommended by the Commission for determining the pensionable remuneration of ungraded officials and its subsequent adjustment. In its report, 1/ the Commission had recognized that several organizations observed statutory limits on the length of service of their respective elected ungraded officials. Furthermore several organizations, among them UNIDO, have terms of a length below the five-year eligibility period for periodic benefits. Consequently the Commission was of the view that the governing bodies of the organizations concerned should have the choice of whether their elected officials should be participants in UNJSPF or should have different arrangements.

1/ Official records of the General Assembly, Supplement No. 30 (A/46/30), paras. 61-63.

Participation in the Fund

22. In compliance with the request of the General Assembly in the same resolution to consider amendments to the regulations of the Fund to incorporate provisions governing the pensionable remunerations (section III, para. 7), the Joint Staff Pension Board at its forty-fourth session proposed the following addition to article 54 of the regulations and rules of UNJSPF, for those ungraded officials who become participants in the Fund:

Article 54, new paragraph (c)

"(i) In the case of participants who are appointed or elected as ungraded officials on or after 1 April 1993, their pensionable remuneration shall be determined by the competent legislative organ which determines their other conditions of service, in accordance with the methodology recommended by the International Civil Service Commission and endorsed by the General Assembly, and shall be subsequently adjusted in accordance with the procedure in (b) above;

"(ii) In the case of participants who are ungraded officials on 31 March 1993, their pensionable remuneration as of that date shall be maintained, without adjustment, until surpassed by the level of pensionable remuneration derived from the application of the methodology referred to in (i) above."

23. Upon endorsement of the proposed amendment to the regulations by all governing bodies of the member organizations, the Joint Staff Pension Board will recommend its approval to the General Assembly.

Non-participation in the Fund

24. As reported in document IDB.8/20, paragraph 6, ICSC was to submit recommendations to the General Assembly at its forty-sixth session on pensions of ungraded officials. Designed to ensure system-wide comparability, the recommended guidelines would apply to ungraded officials who do not become participants in the Fund.

25. Some comparable elected officials who presently have arrangements outside the Pension Fund are the Justices of the International Court of Justice and the United Nations Secretary-General. The after-service benefit of a member of the International Court of Justice after one term of nine years would be $50,000 per year, whereas the Secretary-General would receive 50 per cent of his annual net base salary plus post adjustment.

26. After thoroughly reviewing the issue at its thirty-sixth session, the Commission decided to recommend two alternatives for pension arrangements. Both alternative approaches from the side of the organization would be calculated from the net base salary plus post adjustment at the base of the system (New York) and differ as to whether or not a contribution would be payable from the side of the official. Assuming a pensionable base of $142,462, alternative I would yield $35,616 or 25 per cent income replacement, and alternative II $42,379 or 30 per cent income replacement after two terms (10 years). A possible third approach would be to supplement the ungraded official's remuneration by an amount corresponding to the organization's contribution to the Pension Fund. The official could use this supplement for making his/her own pension arrangements.

27. In contrast to the alternatives recommended by ICSC contained in paragraph 26 above, the present pension arrangement for the Director-General would entitle him to $21,056 at age 60 after two terms and no pension at age 60 after one term.

28. The recommended guidelines are presently before the General Assembly and the Board will be duly informed of the relevant resolutions thereon.

VI. ACTION REQUIRED OF THE BOARD

29. The Board may wish to consider the adoption of the following draft decision:

"The Industrial Development Board:

"(a) Takes note of the information contained in the note by the Secretariat (IDB.10/28), in particular regarding resolutions 46/191, 46/191 B and 46/192 adopted by the United Nations General Assembly;

"(b) Notes the amendments made, in pursuance of regulation 13.3 of the staff regulations, to schedules I and III of the UNIDO Staff Regulations in order to bring them into conformity with the decisions of the General Assembly set out in its resolution 46/191;

"(c) Also notes the amendment to Appendix C to the UNIDO Staff Rules as reflected in paragraph 9 of document IDB.10/28;

"(d) Endorses the proposed new paragraph (c) of article 54 of the regulations of the United Nations Joint Staff Pension Fund as contained in paragraph 22 of document IDB.10/28."

SCHEDULE I

SALARY SCALES FOR THE PROFESSIONAL AND HIGHER CATEGORIES

SHOWING ANNUAL GROSS SALARIES AND THE NET EQUIVALENTS
AFTER APPLICATION OF STAFF ASSESSMENT
(United States dollars)

Effective 1 March 1992

LEVEL		STEPS I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV	XV
Deputy Director-General																
DDG	Gross	124 560														
	Net D	74 571														
	Net S	67 436														
Director																
D-2	Gross	101 163	103 504	105 844	108 183	110 523	112 863									
	Net D	62 405	63 622	64 839	66 055	67 272	68 489									
	Net S	57 375	58 382	59 388	60 394	61 400	62 406									
Principal Officer																
D-1	Gross	89 026	90 992	92 958	94 923	96 889	98 855	100 837	102 840	104 842						
	Net D	55 984	57 026	58 068	59 109	60 151	61 193	62 235	63 277	64 318						
	Net S	51 673	52 605	53 537	54 469	55 400	56 332	57 235	58 096	58 957						
Senior Officer																
P-5	Gross	78 037	79 783	81 558	83 338	85 117	86 894	88 674	90 453	92 230	94 009	95 789	97 566	99 345		
	Net D	50 140	51 083	52 026	52 969	53 912	54 854	55 797	56 740	57 682	58 625	59 568	60 510	61 453		
	Net S	46 433	47 289	48 133	48 977	49 820	50 663	51 506	52 350	53 192	54 035	54 879	55 721	56 565		
First Officer																
P-4	Gross	63 635	65 313	67 015	68 717	70 420	72 122	73 824	75 528	77 230	78 931	80 645	82 383	84 117	85 851	87 587
	Net D	42 349	43 269	44 188	45 107	46 027	46 946	47 865	48 785	49 704	50 623	51 542	52 463	53 382	54 301	55 221
	Net S	39 368	40 198	41 032	41 866	42 701	43 535	44 369	45 204	46 038	46 871	47 701	48 525	49 346	50 168	50 991
Second Officer																
P-3	Gross	51 421	52 937	54 453	56 002	57 573	59 142	60 713	62 284	63 855	65 433	67 031	68 631	70 230	71 830	73 430
	Net D	35 560	36 424	37 288	38 151	39 015	39 878	40 742	41 606	42 470	43 334	44 197	45 061	45 924	46 788	47 652
	Net S	33 227	34 014	34 801	35 582	36 361	37 139	37 919	38 698	39 477	40 257	41 040	41 824	42 608	43 392	44 176
Associate Officer																
P-2	Gross	40 903	42 214	43 522	44 832	46 181	47 535	48 891	50 246	51 602	52 956	54 311	55 691			
	Net D	29 483	30 256	31 028	31 801	32 573	33 345	34 118	34 890	35 663	36 435	37 207	37 980			
	Net S	27 679	28 388	29 095	29 804	30 508	31 211	31 914	32 618	33 321	34 024	34 727	35 428			
Assistant Officer																
P-1	Gross	30 638	31 856	33 072	34 290	35 524	36 781	38 041	39 298	40 556	41 815					
	Net D	23 339	24 082	24 824	25 567	26 309	27 051	27 794	28 536	29 278	30 021					
	Net S	22 034	22 718	23 401	24 086	24 768	25 449	26 130	26 810	27 491	28 172					

D = Rate applicable to staff members with a dependent spouse or child.
S = Rate applicable to staff members with no dependent spouse or child.

SCHEDULE III

STAFF ASSESSMENT

Regulation 6.8 (a)

(i) The assessment shall be calculated at the following rates for staff whose salary rates are set forth in regulation 6.1 of the present regulations:

Total assessable payments (US dollars)	Assessment (in percentages) Staff assessment rates for purposes of pensionable remunerations and pensions
First $15,000 per year	4
Next $10,000 per year	20
Next $10,000 per year	25
Next $20,000 per year	29
Next $20,000 per year	32
Next $20,000 per year	35
Next $30,000 per year	37
Remaining assessable payments	39

Assessment (continued)
(in percentages)

Total assessable payments (US dollars)	Staff assessment rates used in conjunction with gross base salaries and the gross amounts of separation payments	
	Staff member with a dependent spouse or a dependent child	Staff member with neither a dependent spouse nor a dependent child
First $15,000 per year	13.0	17.3
Next $ 5,000 per year	31.0	34.3
Next $ 5,000 per year	34.0	38.5
Next $ 5,000 per year	37.0	41.8
Next $ 5,000 per year	39.0	43.8
Next $10,000 per year	41.0	45.9
Next $10,000 per year	43.0	48.1
Next $10,000 per year	45.0	50.4
Next $15,000 per year	46.0	51.0
Next $20,000 per year	47.0	52.6
Remaining assessable payments	48.0	57.0

(ii) The assessment shall be calculated at the following rates for staff whose salary rates are established under regulation 6.5 (a) of the present regulations:

Total assessable payments (US dollars)	Assessment (per cent)
First $2,000 per year	15
Next $2,000 per year	18
Next $2,000 per year	20
Next $2,000 per year	21
Next $4,000 per year	22
Next $4,000 per year	23
Next $4,000 per year	24
Next $6,000 per year	25
Next $6,000 per year	25.5
Next $6,000 per year	26
Next $8,000 per year	26.5
Next $8,000 per year	27
Next $8,000 per year	27.5
Next $8,000 per year	28
Remaining assessable payments	29

(iii) The Director-General shall determine which of the scales of assessment set out in (i) and (ii) above shall apply to staff whose salary rates are established under regulation 6.4 or 6.6 of the present regulations.